

COMMONWEALTH OF PENNSYLVANIA:

: ss.

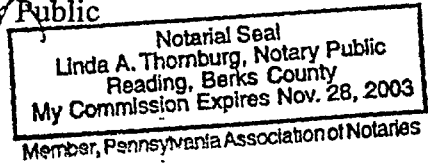
COUNTY OF BERKS

:

On this, the 18th day of ^{September}~~August~~, 2002, before me, Linda A. Thornburg, the undersigned officer, personally appeared Joseph Eppihimer, who acknowledged himself to be the Mayor of the City of Reading, a municipal corporation, and that he as such Mayor, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the municipal corporation by himself as Mayor.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

Linda A. Thornburg
Notary Public



COMMONWEALTH OF PENNSYLVANIA:

: ss.

COUNTY OF BERKS

:

On this, the 18th day of ^{September}~~August~~, 2002, before me, Linda A. Thornburg, the undersigned officer, personally appeared Michele Lauter, who acknowledged herself to be the Chairperson of the Board of Directors of the Redevelopment Authority of the City of Reading, a municipal authority, and that she as such Chairperson, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the municipal authority by herself as Chairperson.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

Notary Public

COMMONWEALTH OF PENNSYLVANIA:

: ss.

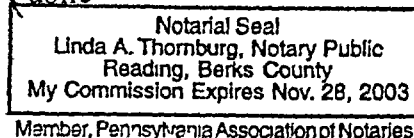
COUNTY OF BERKS

:

On this, the _____ day of ^{September}~~August~~, 2002, before me, Linda A. Thornburg, the undersigned officer, personally appeared Albert Boscou & Alex Zepeda, who acknowledged themselves to be the Managers of Reading Buttonwood Gateway Group, LLC, a limited liability company, and that he as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the company by himself as such officer.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

Linda A. Thornburg
Notary Public



REDEVELOPMENT AGREEMENT
AMONG
CITY OF READING
AND
REDEVELOPMENT AUTHORITY OF THE CITY OF READING
AND
READING BUTTONWOOD GATEWAY GROUP, LLC

PLAN OF PROJECT AREA

EXHIBIT A

REDEVELOPMENT AGREEMENT
AMONG
CITY OF READING
AND
REDEVELOPMENT AUTHORITY OF THE CITY OF READING
AND
READING BUTTONWOOD GATEWAY GROUP, LLC

SURVEY OF PROPERTY

14 Acres +/- Gross

Excluding the
CABOT/NPC Site

EXHIBIT B

REDEVELOPMENT AGREEMENT
AMONG
CITY OF READING
AND
REDEVELOPMENT AUTHORITY OF THE CITY OF READING
AND
READING BUTTONWOOD GATEWAY GROUP, LLC

TO BE PROVIDED POST CLOSING

EXHIBIT B-2

REDEVELOPMENT AGREEMENT
AMONG
CITY OF READING
AND
REDEVELOPMENT AUTHORITY OF THE CITY OF READING
AND
READING BUTTONWOOD GATEWAY GROUP, LLC

MAP OF PROPERTY

EXHIBIT C

- GRAND
- ☐ AREA TO BE ACQUIRED FOR CLEARANCE AND/OR REDEVELOPMENT
 - ☐ AREA NOT TO BE ACQUIRED

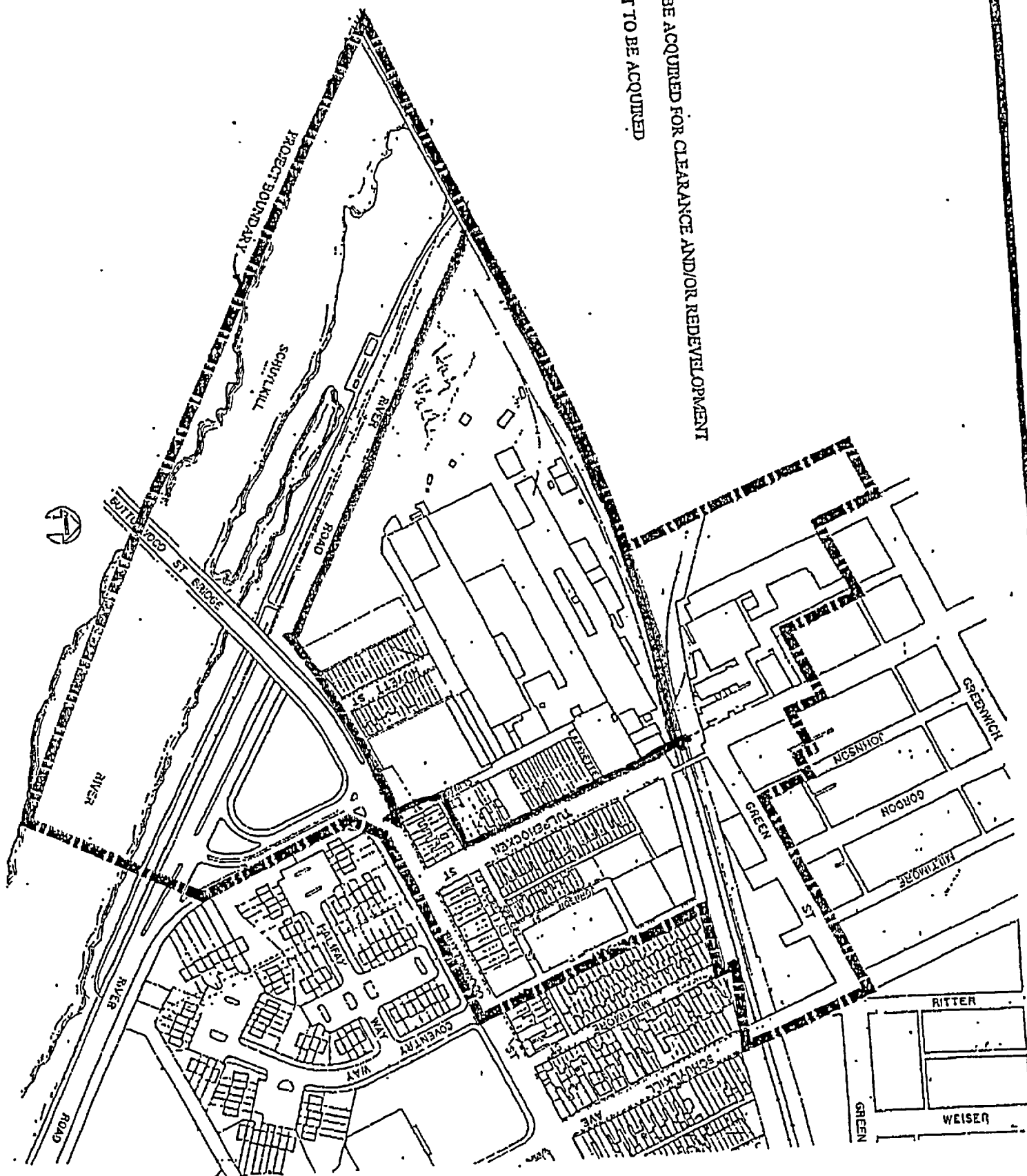


EXHIBIT C
R.P.P. MAP NO. 1 - ACQUISITION MAP

REDEVELOPMENT AGREEMENT
AMONG
CITY OF READING
AND
REDEVELOPMENT AUTHORITY OF THE CITY OF READING
AND
READING BUTTONWOOD GATEWAY GROUP, LLC

LIST OF LOTS

EXHIBIT D

Y. M. C. A. 111 St.

Property Status
Not Complete - Updated 5/25/02

BUTTONWOOD GATEWAY REDEVELOPMENT AREA
Property Status - Updated 5/28/02

	NUMBER STREET	TAX PIN	AREA OWNER	REDEVELOPER
87	414 Johnson St	6-5307-72-42-4247	0.02 RRA	
88	416 Johnson St	6-5307-72-42-4248	0.02 RRA	
89	418 Johnson St	6-5307-72-42-4310	0.02 RRA	
90	420 Johnson St	6-5307-72-42-4331	0.02 RRA	
91	422 Johnson St	6-5307-72-42-4322	0.02 RRA	
92	424 Johnson St	6-5307-72-42-4323	0.02 RRA	
93	426 Johnson St	6-5307-72-42-4314	0.02 RRA	
94	428 Johnson St	6-5307-72-42-4315	0.02 RRA	
95	430 Johnson St	6-5307-72-42-4306	0.02 RRA	
96	432 Johnson St	6-5307-72-42-4307	0.02 RRA	
97	434 Johnson St	6-5307-72-42-4308	0.02 RRA	
98	436 Johnson St	6-5307-72-42-4309	0.02 RRA	
99	438 Johnson St	6-5307-72-42-4310	0.02 RRA	
100	440 Johnson St	6-5307-72-42-4311	0.02 RRA	
101	419 Little Clinton St	6-5307-72-42-2104	0.06 RRA	Buttonwood LLC
102	425 Little Clinton St	6-5307-72-42-1188	0.01 RRA	Buttonwood LLC
103	318 River Road	6-5307-72-41-1723	1.20 RRA	
104	404 485 Schuykill Ave.	15-5307-64-42-5870	0.35 NTEA	
105	470-474 Schuykill Ave	15-5307-64-42-5830	0.24 NTEA	
106	478 Schuykill Ave	15-5307-64-42-5813	0.09 NTEA	
107	407 Tulpehocken St	6-5307-72-42-3280	0.03 NTEA	
108	409 Tulpehocken St	6-5307-72-42-3282	0.02 NTEA	
109	411 Tulpehocken St	6-5307-72-42-3273	0.02 NTEA	
110	413 Tulpehocken St	6-5307-72-42-3274	0.02 NTEA	
111	415 Tulpehocken St	6-5307-72-42-3265	0.02 NTEA	
112	417 Tulpehocken St	6-5307-72-42-2142	0.06 RRA	Buttonwood LLC
113	419 Tulpehocken St	6-5307-72-42-3286	0.02 NTEA	
114	421 Tulpehocken St	6-5307-72-42-2163	0.03 RRA	Buttonwood LLC
115	423 Tulpehocken St	6-5307-72-42-3257	0.02 NTEA	
116	425 Tulpehocken St	6-5307-72-42-2157	0.03 RRA	Buttonwood LLC
117	427 Tulpehocken St	6-5307-72-42-3258	0.02 NTEA	
118	429 Tulpehocken St	6-5307-72-42-2128	0.06 RRA	Buttonwood LLC
119	431 Tulpehocken St	6-5307-72-42-3249	0.02 NTEA	
120	433 Tulpehocken St	6-5307-72-42-2240	0.01 RRA	Buttonwood LLC
121	435 Tulpehocken St	6-5307-72-42-2231	0.02 RRA	Buttonwood LLC
122	437 Tulpehocken St	6-5307-72-42-1107	0.01 RRA	Buttonwood LLC
123	439 Tulpehocken St	6-5307-72-42-3340	0.02 NTEA	
124	441 Tulpehocken St	6-5307-72-42-2201	0.06 RRA	Buttonwood LLC
125	443 Tulpehocken St	6-5307-72-42-2332	0.02 NTEA	
126	445 Tulpehocken St	6-5307-72-42-1294	0.15 RRA	Buttonwood LLC
127	447 Tulpehocken St	6-5307-72-42-3333	0.02 NTEA	
128	449 Tulpehocken St	6-5307-72-42-3324	0.02 NTEA	
129	451 Tulpehocken St	6-5307-72-42-3325	0.02 NTEA	
130	453 Tulpehocken St	6-5307-72-42-3313	0.02 NTEA	
131	455 Tulpehocken St	6-5307-72-42-1277	0.03 RRA	Buttonwood LLC
132	457 Tulpehocken St	6-5307-72-42-3317	0.02 NTEA	
133	459 Tulpehocken St	6-5307-72-42-1278	0.03 RRA	Buttonwood LLC
134	461 Tulpehocken St	6-5307-72-42-3308	0.02 NTEA	
135	463 Tulpehocken St	6-5307-72-42-1269	0.03 RRA	Buttonwood LLC
136	465 Tulpehocken St	6-5307-72-42-3309	0.02 NTEA	
137	467 Tulpehocken St	6-5307-72-42-1261	0.04 RRA	Buttonwood LLC
138	469 Tulpehocken St	6-5307-72-42-2490	0.02 NTEA	
139	471 Tulpehocken St	6-5307-72-42-1302	0.03 RRA	Buttonwood LLC
140	473 Tulpehocken St	6-5307-72-42-2491	0.02 NTEA	
141	475 Tulpehocken St	6-5307-72-42-1334	0.03 RRA	Buttonwood LLC
142	477 Tulpehocken St	6-5307-72-42-2402	0.02 NTEA	
143	479 Tulpehocken St	6-5307-72-42-1344	0.03 RRA	Buttonwood LLC
144	481 Tulpehocken St	6-5307-72-42-2433	0.02 NTEA	
145	483 Tulpehocken St	6-5307-72-42-1345	0.03 RRA	Buttonwood LLC
146	485 Tulpehocken St	6-5307-72-42-3475	0.02 NTEA	
147	487 Tulpehocken St	6-5307-72-42-2476	0.02 NTEA	
148	489 Tulpehocken St	6-5307-72-42-3467	0.02 NTEA	
149	491 Tulpehocken St	6-5307-72-42-1337	0.04 RRA	
150	493 Tulpehocken St	6-5307-72-42-2488	0.02 NTEA	
151	495 Tulpehocken St	6-5307-72-42-1328	0.03 RRA	Buttonwood LLC
152	497 Tulpehocken St	6-5307-72-42-2459	0.02 NTEA	
153	499 Tulpehocken St	6-5307-72-42-1329	0.03 RRA	Buttonwood LLC
154	501 Tulpehocken St	6-5307-72-42-2350	0.02 NTEA	
155	503 Tulpehocken St	6-5307-72-42-1410	0.03 RRA	Buttonwood LLC
156	505 Tulpehocken St	6-5307-72-42-2341	0.02 NTEA	
157	507 Tulpehocken St	6-5307-72-42-1411	0.03 RRA	Buttonwood LLC
158	509 Tulpehocken St	6-5307-72-42-2350	10.15 RRA	Buttonwood LLC
159	511 Tulpehocken St	6-5307-64-42-2353	0.32 RRA	
160	513 Tulpehocken St	15-5307-64-32-7874	2.15 RRA	CBDF
161	515 Tulpehocken St	15-5307-64-42-0900	0.07 RRA	GBDF
162	517 Tulpehocken St	15-5307-64-32-8882	0.01 RRA	CBDF
TOTAL AREA (not including streets and other public rights-of-way)			74.18	

RRA - Reading Redevelopment Authority
 GBDF - Greater Berks Development Fund
 Buttonwood LLC - Buttonwood Gateway LLC
 NTBA - Not To Be Acquired
 Area is in acres.
 SETTLED

RESOLUTION NO. 128-2003

SELECTING READING BUTTONWOOD GATEWAY GROUP, L.L.C. AS THE DEVELOPER OF A PARCEL OF LAND IN THE BUTTONWOOD GATEWAY REDEVELOPMENT AREA BOUNDED BY THE RAILROAD ON THE NORTH, RIVER ROAD ON THE WEST, BUTTONWOOD STREET ON THE SOUTH AND TULPEHOCKEN STREET ON THE WEST, CONTAINING A GROSS AREA OF 14± ACRES AND AUTHORIZING THE MAYOR AND OTHER APPROPRIATE OFFICIALS OF THE CITY OF READING TO EXECUTE AND ENTER INTO A REDEVELOPMENT AGREEMENT BETWEEN THE CITY OF READING, REDEVELOPMENT AUTHORITY OF THE CITY OF READING AND READING BUTTONWOOD GATEWAY GROUP, L.L.C.

Attach 5

WHEREAS, the City of Reading on November 30, 1998 approved the Buttonwood Gateway Redevelopment Area Plan and Redevelopment Proposal for a Redevelopment Project ("Project") within the Project Area set forth in the Plan in furtherance of the objectives of and pursuant to the Pennsylvania Urban Redevelopment Law of May 24, 1945, P.L. 991, and laws supplemental thereto; and

WHEREAS, the Redevelopment Authority of the City of Reading has selected Reading Buttonwood Gateway Group, L.L.C. as the Redeveloper of a fourteen (14) acre, plus or minus, parcel of land within the Buttonwood Gateway Redevelopment Area, to be known as the Buttonwood Business Park, which will result in the construction of new manufacturing and commercial buildings and related uses specified in the Buttonwood Gateway Redevelopment Area Plan; and

WHEREAS, the Redevelopment Authority of the City of Reading has entered into a Redevelopment Agreement between the City of Reading, the Redevelopment Authority of the City of Reading and Reading Buttonwood Gateway Group, L.L.C., which will result in the redevelopment of a fourteen (14) acre, plus or minus, parcel, which after redevelopment, will be subdivided into several parcels for development of the Buttonwood Business Park, for construction of new manufacturing and commercial buildings; and

WHEREAS, the City of Reading has selected the proposal submitted by the proposal submitted by Reading Buttonwood Gateway Group, L.L.C. as the proposal which fulfills and addresses the redevelopment of the Reading Gateway Redevelopment Area in accordance with the Urban Renewal Plan and Redevelopment Proposal; and

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF READING that Reading Buttonwood Gateway Group, L.L.C. is selected as the developer for the Buttonwood Business Park within a portion of the Project and that the Mayor and other appropriate officials in the City of Reading are hereby authorized to select, execute and enter into a Redevelopment Agreement between the City of Reading, Redevelopment Authority of the City of Reading and Reading Buttonwood Gateway Group, L.L.C. for the redevelopment of a fourteen (14) acre, plus or minus, parcel within the Redevelopment Area which will be surveyed and attached to the Redevelopment Agreement as Exhibit "C".

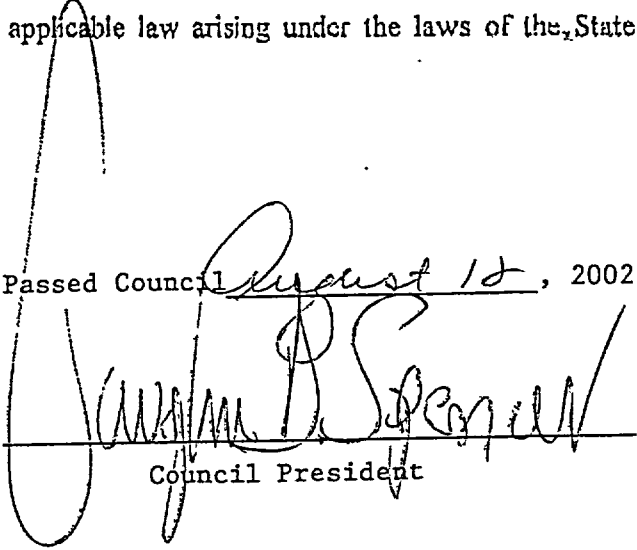
SECTION 1. If any section, clause, provision or portion of this Resolution shall be held invalid or unconstitutional by any Court of competent jurisdiction, such decision shall not affect any other section, clause, provision or portion of this Ordinance so long as it remains legally enforceable

minus the invalid portion. The City reserves the right to amend this Ordinance or any portion thereof from time to time as it shall deem advisable in the best interests of the promotion of the purposes and intent of this Ordinance and the effective administration thereof.

SECTION 2. This Resolution shall become effective immediately upon approval.

SECTION 3. This Resolution is enacted by the Council of the City of Reading under the authority of the Act of the Legislature, June 23, 1931, Public Law 932, as amended, known as "The Third Class City Code", and any other applicable law arising under the laws of the State of Pennsylvania.

Passed Council August 12, 2002


Council President

Attest:


City Clerk

REDEVELOPMENT AGREEMENT

BETWEEN

CITY OF READING

AND

REDEVELOPMENT AUTHORITY OF THE CITY OF READING

AND

READING BUTTONWOOD GATEWAY GROUP, LLC

This REDEVELOPMENT AGREEMENT ("Agreement") is entered into as of the day
of _____, 2002 by and among:

THE CITY OF READING, a municipal corporation organized and existing under the
laws of the Commonwealth of Pennsylvania with offices at City Hall, 502 Penn Avenue, City of
Reading, County of Berks, State of Pennsylvania 19608 (hereinafter referred to as "CITY")

AND

THE REDEVELOPMENT AUTHORITY OF THE CITY OF READING, a
Redevelopment Authority organized and existing under the Urban Redevelopment Law of the
Commonwealth of Pennsylvania, having its offices at 815 Washington Street, in the City of
Reading, County of Berks, State of Pennsylvania, 19601 (hereinafter referred to as
"AUTHORITY")

AND

READING BUTTONWOOD GATEWAY GROUP, LLC, with its principal offices at
4500 Perkiomen Avenue, City of Reading, County of Berks, State of Pennsylvania 19606
(hereinafter referred to as "REDEVELOPER").

WITNESSETH

WHEREAS, in furtherance of the objectives of, and pursuant to the Pennsylvania Urban Redevelopment Law of May 24, 1945, P. L. 991, and laws supplemental thereto, the AUTHORITY is carrying out an urban renewal project known as the Buttonwood Gateway Redevelopment Area Plan located in the area bounded generally as described in Exhibit "A" attached hereto, which area is herein called the Project Area, for which an Urban Renewal Plan and Redevelopment Proposal has been adopted by AUTHORITY by Resolution 16-98 on August 12, 1998, (the "Plan"); and

WHEREAS, the Plan was approved by the governing body of the City of Reading on November 30, 1998 and as amended and extended from time to time, which Plan is recorded in the Recorder of Deeds Office of Berks County in Map Book __, page __ et seq. ; and

WHEREAS, the AUTHORITY has offered to sell and the REDEVELOPER is willing to purchase certain real property consisting of the American Chain and Cable Property and contiguous parcels of land containing approximately 14 acres \pm of land which after a Survey excluding the Cabot/NRC radioactive site will establish the gross acreage of a parcel to be conveyed to the REDEVELOPER (herein called the "Property") located in the Project Area which Property after Survey will be attached hereto as Exhibit "B" as a post execution exhibit and made a part hereof; and

WHEREAS, the parcel from which the Property will be Surveyed is outlined in blue on the map attached hereto as Exhibit "C" and made a part hereof (the "Map"); and

WHEREAS, the REDEVELOPER has been selected by the AUTHORITY to redevelop the Property for, and in accordance with the uses specified in the Urban Renewal Plan and

Redevelopment Proposal and the provisions of this Agreement, which will be known as the Buttonwood Business Park.

NOW, THEREFORE, in consideration of the foregoing PREMISES which constitute a material part of this Agreement and the mutual covenants, conditions and premises contained herein, and intending to be legally bound, the parties hereto for themselves, their successors and assigns, do hereby mutually agree as follows:

SECTION 1: SALE: PURCHASE PRICE.

Subject to all the terms, covenants and conditions of this Agreement, the AUTHORITY will sell the Property to the REDEVELOPER and the REDEVELOPER will purchase the Property from the AUTHORITY and pay therefore, the product of the net acreage of the Property (Gross Acreage less all areas which are non developable because of slopes, wetlands, roads to be constructed and conveyed to the CITY, sedimentation ponds as required, public easements or rights-of-way, buffer zones or any areas which must be dedicated to public use) multiplied by \$50,000.00, or a minimum of Five Hundred Thousand (\$500,000.00) Dollars for the Property, whichever is greater, hereinafter called the "Purchase Price" and AUTHORITY will accept from REDEVELOPER a Purchase Money Mortgage in the amount of the Purchase Price (the "Purchase Money Mortgage") with the Property to be subdivided into several parcels for development as the Buttonwood Business Park ("SITES") with public streets to be constructed by REDEVELOPER and deeded to the CITY ("Streets") at which time the AUTHORITY, upon the sale or ground leasing of each SITE, will release such SITE from the lien of mortgage upon payment of the sum of Fifty Thousand (\$50,000.00) Dollars per acre per SITE (which payment is required to be made at the time of the Closing for the sale of a SITE or Ground Leasing of a SITE) and upon the acceptance of the Streets by the CITY as public streets will, in the event that

any Streets were included in the Property and the Purchase Price, release the Streets from lien of mortgage by issuing a credit on the face amount of the Purchase Money Mortgage at the rate of \$50,000.00 per acre of Streets conveyed by REDEVELOPER to the CITY.

SECTION 2: CONVEYANCE OF PROPERTY.

A. Form of Deed. The AUTHORITY shall convey to the REDEVELOPER title to the Property as described on Exhibit "B" by Special Warranty Deed. The conveyance and title shall be in accordance with the provisions of Section 17B of this Agreement and all other conditions, covenants, and restrictions set forth or referred to elsewhere in this Agreement.

B. Time and Place for Delivery of Deed. The AUTHORITY shall deliver the Deed and possession of the Property to the REDEVELOPER within ten (10) days after the REDEVELOPER completes its Phase 1 Due Diligence Investigation, and the REDEVELOPER has been approved as either the direct recipient of or the Subgrantee of all Federal Funds (the "Federal Funds") as hereinafter set forth in Section 6A(1) and (2) and the AUTHORITY has complied with Section 6 B so that REDEVELOPER can proceed with Phase 2, Section 3 B(4), then the Property will be conveyed to REDEVELOPER, as hereinafter set forth in Section 6 C (the "Closing"). The Closing shall be at the principal office of the AUTHORITY and the REDEVELOPER shall accept the conveyance and issue to AUTHORITY as full payment of the Purchase Price a Purchase Money Mortgage at no interest in the amount of the Purchase Price pursuant to the terms set forth in Section 1.

C. Apportionment of Current Taxes. The portion of the current taxes, if any, on the Parcel shall be apportioned between the AUTHORITY and the REDEVELOPER as of the date of delivery of the Deed.

D. Recordation of Deed. The REDEVELOPER shall promptly file the Deed for recordation in the Recorder of Deeds Office for Berks County, Pennsylvania. The REDEVELOPER shall pay all costs for so recording the Deed.

E. Acquisition. As a condition precedent to the obligations of the REDEVELOPER to proceed to Closing, the AUTHORITY will acquire pursuant to the Eminent Domain Code and the Uniform Relocation Act, all of the properties within the Parcel, at no cost to the REDEVELOPER.

F. Title Insurance. The AUTHORITY will bear no responsibility for the furnishing of or payment of the costs of title insurance upon the Property conveyed, but title to the Property shall be in fee simple, good and marketable and free and clear of all liens, encumbrances, tenancies, restrictions, claims and easements and will be insurable by a Title Insurance Company authorized to do business in Pennsylvania at regular rates and with endorsements, if required, by the REDEVELOPER or its Mortgagee.

G. Realty Transfer Taxes. The AUTHORITY and REDEVELOPER will equally divide all Realty Transfer Taxes to the Commonwealth of Pennsylvania and the City of Reading that are assessed on the Purchase Price.

SECTION 3: DEVELOPMENT OF PROJECT IN PHASES

The Project involves the conveyance of the Property to the REDEVELOPER for the redevelopment of the Property for development as the Buttonwood Business Park by subdividing same into several SITES and installing required infrastructure and streets for the construction of new manufacturing and commercial buildings on the SITES within the Buttonwood Business Park pursuant to the Manufacturing/Commercial and Related Uses specified in the Plan, the construction of two (2) commercial buildings by the REDEVELOPER

with the Section 108 Loan and attaining the minimum job creation required by the Federal Funds and the 108 Loan (the "Project") which Project shall be completed in the following phases:

A. Phase 1. Due Diligence:

(1) The REDEVELOPER at the specific request of the AUTHORITY and the CITY has agreed to receive the Federal Funds and the AUTHORITY will be the grantee of various state grants which can only be spent by the AUTHORITY for specific purposes (the "State Funds") with the Federal Funds and State Funds hereinafter at times being collectively referred to as the "Grants", which Grants will be utilized for acquisition, the remediation and abatement of the Property and Buildings, the demolition of Buildings, site preparation, construction of infrastructure and Streets and vertical support as required so that prepared SITES can be conveyed to Purchasers for construction of improvements thereon which Grants as awarded, the REDEVELOPER must verify are sufficient to prepare the blighted properties into sites for manufacturing/commercial and related uses for sale to Purchasers which is ordinarily the responsibility of the AUTHORITY and/or CITY. The REDEVELOPER'S obligations under this Agreement are subject to the condition precedent that the REDEVELOPER will:

- (a) complete its Due Diligence Investigation during the Investigation Period as set forth in Section 5; and
- (b) has decided to proceed to Closing as set forth in Section 6A(8) and (C); and
- (c) has been approved as either the direct recipient of or the Subgrantee of Federal Funds and that the State Funds currently approved for the Project, as well as any future funding which will be necessary for the Project as is set forth in Section 6,

infra, are sufficient to complete the Project.

B. Phase 2 Financing, Conveyance of Property, Remediation, Demolition and Improvements:

(1) Financing: The AUTHORITY and the CITY have submitted applications for and have received grant approval to be the recipient of Federal Funds and State Funds for the Buttonwood Gateway Redevelopment Area Project and both the AUTHORITY and the CITY recognize that the objectives and successful implementation of the Plan will be achieved if the REDEVELOPER, with approval of the applicable federal agencies, becomes either the direct recipient of or the Subgrantee of the CITY of the following Federal Funds and, if as Subgrantee, the REDEVELOPER will be bound by and subject to the same terms and conditions of each of the respective Federal Funds and the AUTHORITY as recipient of the State Funds will cooperate with the REDEVELOPER to coordinate and integrate the spending of the State Funds for timely completion of the Project as follows:

- (a) 1 Million Dollar Brownfields Economic Development Initiative Grant from the United States Department of Housing and Urban Development ("the BEDI")
- (b) \$400,000.00 Special Project Grant from the United States Department of Housing and Urban Development (the "HUD Grant"); and
- (c) 1.25 Million Dollar demolition, hazardous waste removal and infrastructure grant from the Commonwealth of Pennsylvania Department of Community and Economic Development (the "DCED Grant" or "IDP");.

- (d) The BEDI and the HUD Grant are collectively referred to as the Federal Funds and the DCED Grant is referred to as the State Funds.
- (e) The total amount of the BEDI, HUD Grant and DCED Grant shall be allocated to the Property.
- (2) Remediation and Abatement of the Property and Buildings and Demolition of Buildings by the AUTHORITY.
- (3) Conveyance of Property.
- (4) Site Preparation and required municipal approvals for the Construction of Infrastructure and Streets including Preliminary Subdivision approval, if required.

C. Phase 3 - Sale of Sites for Manufacturing and Commercial Development

- (1) Preliminary Subdivision of the Parcel and conveyance of Infrastructure and Streets to CITY.
- (2) Construction of Geotechnical Support or issuance of credit to Purchaser.
- (3) The construction of two (2) commercial buildings by REDEVELOPER with the 108 Loans.
- (4) Sale or ground leases of SITES within the Buttonwood Business Park or development of SITES with buildings by REDEVELOPER for leasing to others.

SECTION 4: SITE PREPARATION AND CERTAIN OTHER ACTION BY THE AUTHORITY AND CITY.

A. It is intended and agreed that the REDEVELOPER has entered into this Agreement based upon information which it has received from the AUTHORITY and CITY regarding the Property and Buildings and the analysis of the Property set forth in the Synergy

Environmental, Inc.'s Report and Nuclear Regulatory Commission Report or any other information regarding hazardous substances, abatement costs, demolition costs or geotechnical reports, all of which will be furnished to REDEVELOPER so that it can perform its Due Diligence Investigation.

B. The AUTHORITY and CITY will, without expense to the REDEVELOPER or assessment or claim against the Property, provide or secure the following: (1) the vacating of present streets, alleys, other public rights-of-way, including Huyett Street, Lafayette Street, Clinton Street and Speidel Street; (2) the termination and vacation of all easements, public and private, including utilities in the Property; and (3) provide for the re-zoning of the Property as Manufacturing/Commercial and Related Uses, in accordance with the Urban Renewal Plan and Redevelopment Proposal.

C. The REDEVELOPER is purchasing from the AUTHORITY the following 66 parcels of land:

1. American Chain and Cable Parcel being a 12.3 acre parcel of land more or less as recorded in Berks County Deed Book ____, Page ____, et seq.

2. Sixty-five (65) lots within the Property located on Huyett Street, West Buttonwood Street and Tulpehocken Street as set on "Buttonwood Gateway Redevelopment Area, Property Status - Update 5/28/02" a copy of which is attached hereto as Exhibit D and incorporated herein by reference, which lots are identified thereon by number 27, 28, 29, 47, 49 to 83, 101, 102, 112, 114, 116, 118, 120 to 122, 124, 126, 131, 133, 135, 137, 139, 141, 143, 145, 149, 151, 153, 155, 157 and 158 (hereinafter referred to as the "residential structures").

D. The AUTHORITY will perform a perimeter survey of the Property being conveyed to the REDEVELOPER in accordance with the standards and requirements for

ALTA/ACSM Land Title Surveys (the "Survey") which will exclude from the Parcel the area which the Nuclear Regulatory Commission has determined has radioactive waste located therein but which can remain in place in such condition as is required by the Nuclear Regulatory Commission, and in the event the AUTHORITY determines that it will not conduct a Survey of the Parcel, it must give REDEVELOPER notice of same, so that REDEVELOPER can retain a surveyor to Survey the Parcel and the cost of said Survey will be applicable as a deduction against the Purchase Money Mortgage. The Surveyor selected by the AUTHORITY will coordinate its Survey with a representative of the REDEVELOPER.

SECTION 5: PHASE 1 OF THE PROJECT - DUE DILIGENCE INVESTIGATION

A. Due Diligence Investigation: (1) The REDEVELOPER shall have a period of ninety (90) days after the signing of this Agreement and the receipt of the Synergy Environmental Inc.'s Report, which report includes "Phase 1" and "Phase 2" investigations and analysis of soil and groundwater; and all other reports and documents regarding the Property including geotechnical reports, whichever occurs last (the "Investigation Period"), to perform a due diligence investigation regarding the Property and Buildings and to perform additional environmental surveys to determine the presence of any "Hazardous Substance", "Pollutant" or "Contaminant" as defined in the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) 42 U.S.C. §9601 et seq., or any hazardous substance, hazardous waste, solid waste or any other substance for as defined in federal, state or local laws or any substance which any governmental entity requires special handling in its collection, storage, treatment or disposal ("Hazardous Substances") including by way of illustration only but not limited to asbestos, radon, PCBs, underground storage tanks, pollutants, radioactive, toxic or hazardous substances, waste, chemicals or materials which environmental study shall be sufficient to

qualify REDEVELOPER as an "Innocent Owner" under the Comprehensive Environmental Response Compensation and Liability Act, 42 U.S.C., §9607, and to perform such physical test, samplings, investigations and inspections of the Premises as REDEVELOPER shall deem necessary to ascertain the compliance of the Property with all laws applicable thereto, whether federal, in order to determine the estimated costs for the removal, abatement, remediation, or encapsulation of Hazardous Substances at, in or upon the Property so that the Buildings located thereon can be demolished; (2) In the event that the REDEVELOPER can not perform its Due Diligence Investigation within the ninety (90) day Investigation Period, the REDEVELOPER shall have a right to extend the Investigation Period for a sufficient period of time as the REDEVELOPER may determine so as to complete its Due Diligence Investigation;

B. Hazardous Substance Removal and Demolition Costs: The REDEVELOPER, as part of its Due Diligence Investigation during the Investigation Period shall obtain an estimate of the costs to remove, abate, remediate or encapsulate the Hazardous Substances and for demolition of all Buildings at the Property.

C. Geotechnical Review: The REDEVELOPER, as part of its Due Diligence Investigation during the Investigation Period shall have the ability to perform a Geotechnical Survey of the Property to determine the weight bearing capacity of the Property to support structures which could be constructed on the SITES and whether special mitigation is required to support the structures which could be constructed on the SITES. The AUTHORITY and CITY shall fully cooperate with REDEVELOPER regarding the Geotechnical Survey by making available to REDEVELOPER all information regarding the Property and studies and reports applicable thereto.

D. Department of Environmental Protection Work Plan: Even though the REDEVELOPER has completed its Due Diligence Investigation within the Investigation Period, if the Department of Environmental Protection's Work Plan ("DEP Plan") has not been received by AUTHORITY and submitted to REDEVELOPER, the Investigation Period shall be automatically extended an additional twenty (20) days after the DEP Plan is received by the REDEVELOPER which will become part of its Due Diligence Investigation.

E. Memorandum of Understanding ("MOU"): Within ten (10) days after the Investigation Period is completed as set forth in subparagraph D, the REDEVELOPER, CITY and AUTHORITY will meet to discuss the DEP Plan, how it impacts upon the REDEVELOPER'S estimated remediation cost and make a decision, which must be unanimous, whether to proceed with the MOU for only those properties within the PROPERTY and excluding any other properties outside of PROPERTY but within the Plan within the DER authorized time frame which will be a binding commitment of the parties hereto for the remediation of the Property as required by the MOU.

SECTION 6: PHASE 2 OF THE PROJECT - FINANCING, CONVEYANCE, REMEDIATION, ABATEMENT, DEMOLITION AND SITE PREPARATION.

A. FINANCING OF THE PROJECT

1. The US Department of Housing and Urban Development ("HUD") has approved the CITY as the recipient of a Brownfields Economic Development Initiative Grant in the amount of One Million (\$1,000,000.00) Dollars for the development of the infrastructure at the Property (the "BEDI"). The CITY, subsequent to HUD's approval of the BEDI, has revised the Project so that the REDEVELOPER and not the CITY will be responsible for the construction of the infrastructure at the Property and HUD has agreed that the REDEVELOPER

will be the recipient of the BEDI which will be issued by HUD directly to the REDEVELOPER concurrently with the 108 Loan and will be responsible for the construction of the infrastructure improvements at the Property in accordance with HUD's requirements for the BEDI, and all federal laws and rules and regulations applicable thereto. The CITY will execute all documentation necessary for the REDEVELOPER to be the recipient or Subgrantee of the BEDI.

2. The US Department of Housing and Urban Development ("HUD") has approved the CITY as a recipient of a \$400,000.00 Grant (the "HUD Funds"). The CITY, subsequent to HUD'S approval of the HUD Funds has agreed that the REDEVELOPER will be the recipient of the HUD Funds and will be responsible for the expenditure of the HUD Funds at the Property in accordance with HUD's requirements for the HUD Funds and all Federal laws, rules and regulations applicable thereto. The CITY will execute all documentation necessary for the REDEVELOPER to be the recipient or Subgrantee of the HUD Funds.

3. The Commonwealth of Pennsylvania Department of Community and Economic Development ("DCED") has approved the AUTHORITY'S application for a DCED Grant in the amount of \$1.25 Million ("the "IDP"). The AUTHORITY will be responsible for the remediation and abatement of hazardous waste at the Property and Buildings and for all demolition and Site preparation with the IDP and ISRP, if approved. The AUTHORITY will receive the State Funds from the Commonwealth during the Due Diligence Investigation Period in order to assure the identification of Hazardous Waste within the Property and the estimated cost of removal.

4. CITY will provide to REDEVELOPER a Three Million (\$3,000,000) Dollar Section 108 Loan which the REDEVELOPER will utilize for the construction of two (2)

Manufacturing/Commercial buildings on SITES in the Buttonwood Business Park (the "108 Loan").

5. The AUTHORITY and the CITY will fully cooperate with REDEVELOPER and take all actions necessary for the REDEVELOPER to be the recipient and/or Grantee of the BEDI and HUD Funds, from HUD or in the event that REDEVELOPER cannot be the direct recipient of the Federal Funds.

6. The AUTHORITY has filed an application with the Commonwealth of Pennsylvania, Department of Community and Economic Development for a One Million (\$1,000,000.00) Dollar ISRP Grant for Environmental Remediation of the American Chain & Cable, and other properties within the Buttonwood Gateway Redevelopment Area (the "ISRP") which if approved will increase the amount of funds available to Three Million Six Hundred Fifty Thousand (\$3,650,000.00) Dollars which ISRP Grant will be administered by the AUTHORITY for remediation, mitigation and demolition of buildings on the Property. In the event that the costs of remediation, mitigation and demolition of all properties and building within the Property is less than the amount of all grants received by the AUTHORITY and CITY or by the REDEVELOPER either directly or as subgrantee of the AUTHORITY and CITY, any surplus will be available for eligible expenses for other properties located within the Buttonwood Gateway Redevelopment Area.

7. In the event that any of the Grants require that the CITY and/or AUTHORITY provide a matching amount as a condition of any Grant and the CITY and/or AUTHORITY can not meet the matching amount requirement with either cash or an "in kind contribution" the REDEVELOPER will provide either the cash or in kind contribution to secure the Grant(s).

8. In the event that the Federal and State Funds are not sufficient to fund the costs of remediation and abatement of Hazardous Wastes at the Parcel, the demolition of the Buildings, the site improvements, Streets, construction of the infrastructure and Geotechnical Mitigation after the REDEVELOPER has performed its Due Diligence including cost estimates to complete Phase 2, Sections 6B, C(3) , D and E, F, and G the REDEVELOPER, in its sole judgment, shall have the following options regarding the Project:

- (i) Determine whether to proceed to Closing or terminate this Agreement; or
- (ii) Redefine the Project so as to include within the scope of the Project as revised ("Revised Project") those Buildings and the amount of land which can be remediated, abated and demolished, SITES prepared, Streets and infrastructure constructed and required Geotechnical Mitigation with the available Grants, with the remainder of the land and buildings excluded from the Revised Project; or
- (iii) If the costs to remove, abate, remediate or encapsulate the Hazardous Substances, demolish the Buildings, prepare the SITES and construct the Streets and improvements with required Geotechnical Mitigation exceed the designated Grants for same, to suspend implementation of this Agreement for a period of one (1) year until AUTHORITY and CITY obtain the funds to remove all Hazardous Substances, demolish the Buildings, prepare the SITES,

construct the Street and infrastructure and Geotechnical Mitigation at no cost to REDEVELOPER; or

(iv) If the costs of remediation, demolition, site preparation, infrastructure, Streets and required Geotechnical Mitigation are greater than the BEDI, HUD and IDP Grants in the amount of \$2.6 Million Dollars but less than the sum of \$2.6 Million Dollars plus the Purchase Money Mortgage, to proceed to Closing and all costs incurred by REDEVELOPER for the remediation, demolition of Buildings, site preparation, construction of Streets and infrastructure and required Geotechnical Mitigation shall be a credit against the Purchase Money Mortgage.

B. DEMOLITION - After all parties have executed the MOU and the AUTHORITY has expended all State Funds for the remediation, abatement or encapsulation of Hazardous Waste and the demolition of all industrial buildings on the Property has been completed and paid for with the State Grants, the CITY and/or AUTHORITY will, provided that the AUTHORITY'S application to Berks County for funds under the ADD program to provide funding for the demolition of all residential structures within the Parcel, including the removal of all foundations and backfilling and compaction as required by REDEVELOPER'S engineers, be completed by the AUTHORITY in the event said funds can not be passed through to the REDEVELOPER. In the event that the Application for the ADD Program is not approved, the demolition costs will be paid for from the Grants, if available, but in the event the REDEVELOPER must demolish the residential structures, the demolition costs shall be a credit against the Purchase Money Mortgage.

C. CONVEYANCE OF PARCEL: The Parcel will be conveyed by AUTHORITY to REDEVELOPER upon completion of all of the following:

- (1) Phase 1 is completed and REDEVELOPER is approved as either the recipient or the Subgrantee of the Federal Funds;
- (2) The AUTHORITY can convey fee simple, marketable title, free and clear of all liens and encumbrances which will be insured by a Title Company authorized to do business in Pennsylvania at its regular rates.
- (3) The AUTHORITY has expended all of the State Funds received which must be spent by the AUTHORITY as a condition of the Grant in accordance with the Grant purposes for the removal, abatement or encapsulation of hazardous substances at the Property, the demolition of all buildings and any other purposes of the IDP as awarded and the ISRP if awarded.
- (4) REDEVELOPER will determine the net acreage of the Property as defined in Section 1 by having the Property, Exhibit "B", surveyed to identify all areas which are non developable because of slopes, wetlands, proposed roads to be constructed and conveyed to the CITY, sedimentation ponds as required, public easements or rights-of-way, buffer zones or any areas which must be dedicated to public use with a calculation of the square footage of each area which will be set forth on Exhibit "B" and be

identified as Exhibit "B-2" attached as a post execution Exhibit and made a part hereof.

D. ABATEMENT AND REMEDIATION - After the Property is conveyed to the REDEVELOPER, the REDEVELOPER with the applicable Federal Funds shall, within six (6) months thereafter, award contracts for the for the demolition of any remaining buildings, site preparation, construction of infrastructure and Streets and vertical support at the Property so that upon completion, all industrial buildings thereon can be demolished.

E. SITE PREPARATION - The REDEVELOPER will be responsible for grading the Property to designed elevations and obtaining all governmental approvals and permits required to grade the Property.

F. INFRASTRUCTURE AND STREETS - After approval of the REDEVELOPER'S Preliminary Subdivision Plans for the Property, the REDEVELOPER shall provide for the installation of all utilities within the streets and/or designated easement areas, which utilities will be transferred to the respective public or private utility companies or authorities and all Streets will be transferred to the CITY and accepted by the CITY as CITY streets and dedicated to public use.

G. GEOTECHNICAL MITIGATION - If geotechnical mitigation is required for any SITE to be sold to a Purchaser, and REDEVELOPER is required to construct the geotechnical remediation method required or issue a credit to Purchaser for same, REDEVELOPER will be entitled to a credit against the Purchase Money Mortgage if the costs of geotechnical remediation is not included in the Federal or State Funds.

H. The REDEVELOPER agrees that every contract for the construction or rehabilitation, installation, alteration, repair of or addition to the redevelopment project where the

estimate costs shall exceed Five Hundred (\$500.00) Dollars shall contain a provision obligating the contractor to the prompt payment of all material furnished, labor supplied or preformed, rental for equipment employed, and services rendered by public utilities or in connection with the prosecution of the work, whether or not the said material, labor, equipment or services enter into and become component parts of the work or improvement contemplated, and a provision that the contractor shall give to the REDEVELOPER an appropriate bond for the prompt payment by the contractor for materials, supplies, labor, services and equipment in such form as the AUTHORITY may prescribe which provisions shall be construed for the benefit of these parties in interest as set forth in Section 11(a) (4-1) of the Urban Renewal Law of May 24, 1945, P.L. 991, as amended, which said Section is incorporated herein by reference.

SECTION 7: PHASE 3 OF THE PROJECT - SUBDIVISION AND CONVEYANCE OF INFRASTRUCTURE AND STREETS TO CITY AND SALE OF INDUSTRIAL SITES.

A. Subdivision of Property: After the demolition of all industrial buildings on the Property by AUTHORITY and the demolition of all residential structures at the Property by AUTHORITY or REDEVELOPER, and the vacation of public streets and easements, the REDEVELOPER shall present to the CITY its Preliminary Subdivision Plan of the Property for approval and the CITY directly and/or through its agencies and authorities, which will, provided REDEVELOPER complies with all requirements of the CITY Zoning and Subdivision Regulations, approve the subdivision plans, both preliminary and final and approve any changes or revisions to the subdivision plans which will not be unreasonably withheld or delayed.

B. Infrastructure: Must be accepted by CITY or Public Authorities after construction provided same have been constructed in accordance with the existing specifications of the CITY and/or its Agencies or Authorities.

C. Streets: Must be accepted by CITY after construction provided same have been constructed in accordance with the existing specifications of the CITY.

D. Sale of Industrial Sites - After Phase 2 is completed, the AUTHORITY will, pursuant to Section 10, infra, issue its Certificate of Completion so that REDEVELOPER, without further approval of AUTHORITY or CITY, except for requirements of existing zoning, building permits, etc., can sell the SITES in the Buttonwood Business Park Development (the "Purchaser"). REDEVELOPER will construct the two (2) commercial buildings with the Section 108 Loan and its own funds as required by the Section 108 Loan approved by HUD. Any Purchaser of a SITE from the REDEVELOPER shall complete the construction of all Improvements including the buildings within one (1) year from the conveyance of the SITE to the Purchaser, which can be extended by REDEVELOPER upon good cause shown and the deed conveying a SITE from the REDEVELOPER to the Purchaser shall contain a warranty that the SITE will be used for the purpose of development and not for speculation and land holding and that the failure on the part of a Purchaser to complete the Improvements on the SITE within one (1) year from the date of conveyance shall be a default and the REDEVELOPER shall have the right of re-entry and the estate conveyed to the Purchaser shall be forfeited by reason of failure of the Purchaser to cure the default and the title to said SITE shall revert to and be revested in the REDEVELOPER, or its successors and assigns from the date of recording the Deed and it is intended and agreed, and the Deed shall so expressly provide that these agreements and covenants shall be covenants running with the land, binding for the benefit of the community and the REDEVELOPER, and enforceable by the REDEVELOPER against the PURCHASER and its successors and assigns to or for the SITE or any part thereof or any interest therein.

SECTION 8. TIME FOR COMMENCEMENT AND COMPLETION OF
ABATEMENT, DEMOLITION, INFRASTRUCTURE AND STREETS.

Provided that REDEVELOPER is the recipient of the Federal Funds as set forth in Section 6A (1) and (2) so that the REDEVELOPER can proceed either with the Project or the Revised Project and Closing has been held, , the REDEVELOPER will commence Phase 2 of the Project within six (6) months after REDEVELOPER is approved to be the Recipient and/or Subgrantee of the Federal Funds or after Closing, which ever occurs last and will complete the construction of the Infrastructure and Streets within three (3) years after that date.

SECTION 9. COMMENCEMENT AND COMPLETION OF CONSTRUCTION OR
REHABILITATION WORK

The REDEVELOPER agrees for itself, its successors and assigns and every successor in interest to the Property, or any part thereof, and the Deed from AUTHORITY shall contain covenants that the REDEVELOPER, and its successors and assigns, shall promptly begin and diligently complete the redevelopment of the Property through the demolition, site preparation and construction of the Infrastructure and Streets which shall in any event be begun and completed within the period specified in SECTION 8 and it is intended and agreed, and the Deed shall so expressly provide that these agreements and covenants shall be covenants running with the land, binding for the benefit of the community and the AUTHORITY, and enforceable by the AUTHORITY against the REDEVELOPER and its successors and assigns to or for the Property or any part thereof or any interest therein.

SECTION 10: CERTIFICATE OF COMPLETION.

Promptly after completion of Phase 2, the AUTHORITY will furnish the REDEVELOPER with an appropriate instrument certifying that the Project has been completed. The certification by the AUTHORITY shall be a conclusive determination of satisfaction and

termination of the covenants in the Agreement and the Deed with respect to the obligations of the REDEVELOPER and its successors and assigns to construct improvements as required in Phase 2 and the dates for the beginning and completion thereof. The certification shall be in such form as will enable it to be recorded. If the AUTHORITY shall refuse or fail to provide the certification, the AUTHORITY shall within thirty (30) days after written request by the REDEVELOPER, provide the REDEVELOPER with a written statement indicating in adequate detail how the REDEVELOPER has failed to complete Phase 2 in conformity with the Urban Renewal Plan, the Redevelopment Proposal and this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the AUTHORITY, for the REDEVELOPER to take or perform in order to obtain the certification.

SECTION 11: RESTRICTION ON USE.

The REDEVELOPER agrees for itself, and its successors and assigns, and every successor in interest to the Property, or any part thereof and the Deed shall contain Covenants on the part of the REDEVELOPER for itself, and its successors and assigns, that the REDEVELOPER and its successors and assigns shall:

- A. Devote the Property only to, and in accordance with the uses specified in the Urban Renewal Plan and this Agreement or such other uses compatible with the Plan; and
- B. Not discriminate upon the basis of race, color, creed, sex, age or national origin in the sale, lease, or rental or in the use or occupancy of the Property or any improvements located or to be erected thereon, or any part thereof.

SECTION 12: COVENANTS BINDING UPON SUCCESSORS IN INTEREST; PERIOD OF DURATION.

It is intended and agreed and the Deed shall so expressly provide, that the covenants

provided in Sections 8, 11, 13 and 14 shall be covenants running with the land binding to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the AUTHORITY its successors and assigns, the CITY and any successor in interest to the Property, or any part thereof, and the owner of any other land (or of any interest in such land) in the Project Area which is subject to the land use requirements and restrictions of the Urban Renewal Plan and Redevelopment Proposal, and the United States (in the case of the covenant provided in subsection (B) of Section 11, against the REDEVELOPER, its successors and assigns, and every successor in interest to the Property or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof. It is further intended and agreed that the covenant provided in subsection (A) of Section 11 shall remain in effect within the limitation as to time set forth in the Buttonwood Gateway Redevelopment Plan Area. The terms "uses" specified in the Urban Renewal Plan and Redevelopment Proposal and "land use" referring to provisions of the Urban Renewal Plan and Redevelopment Proposal, or similar language, in this Agreement shall include the land and all building, housing and other requirements or restrictions of the Urban Renewal Plan and Redevelopment Proposal pertaining to such land.

SECTION 13: PROHIBITION AGAINST TRANSFER OF THE PARCEL.

The REDEVELOPER has not made or created, and (except as permitted by Section 14) will not, prior to the completion of Phase 2 as certified by the AUTHORITY, make or suffer to be made any sale, assignment, conveyance, lease or transfer in any other form of or with respect to this Agreement or the Property, or any part thereof or any interest therein or contract or agree to do any of the same, without the prior written approval of the AUTHORITY which will not be unreasonable withheld, delayed or conditioned.

SECTION 14. LIMITATION UPON ENCUMBRANCE OF PROPERTY

Prior to completion Phase 2 as certified by the AUTHORITY, neither the REDEVELOPER nor any successor in interest to the Property shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Property, except for the purposes only of obtaining (a) funds only to the extent necessary to complete Phase 1 and Phase 2 of the Project. Until issuance of the Certificate of Completion, the REDEVELOPER (or successor in interest) shall notify the AUTHORITY in advance of any financing, secured by mortgage or other similar lien instrument, it proposes to enter into with respect to the Property, and of any encumbrance or lien that has been created on or attached to the Property, whether by voluntary action of the REDEVELOPER or otherwise.

SECTION 15: MORTGAGEES NOT OBLIGATED TO CONSTRUCT OR REHABILITATE

Notwithstanding any of the provisions of this Agreement, including but not limited to those which are intended to be covenants running with the land, the holder of any mortgage authorized by this Agreement (including any holder who obtains title to the Property or any part thereof as a result of foreclosure proceedings, or action in lieu thereof but not including (a) any other party who thereafter obtains title the Property or such part from or through such holder or (b) any other purchase at foreclosure sale other than the holder of the mortgage itself) shall not be obligated by the provisions of this Agreement to construct or rehabilitate or complete the construction or rehabilitation or completion, nor shall any covenant or any other provision of the Deed be construed to so obligate such holder. Nothing in this Section or any other Section or provision of this Agreement shall be deemed or construed to permit or authorize any such holder

to devote the Parcel or any part thereof to any uses, or to construct or rehabilitate any improvements thereon, other than those uses, or to construct or rehabilitate any improvements thereon, other than those uses or improvements provided or permitted in the Urban Renewal Plan and Redevelopment Proposal and this Agreement.

SECTION 16: ENFORCED DELAY IN PERFORMANCE

Neither the AUTHORITY nor the REDEVELOPER or any successor in interest shall be considered in breach, or default of its obligations with respect to the preparation of the Property for redevelopment or the commencement and completion of construction or rehabilitation of Phase 1 or 2, in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence. The time for the performance of the obligations shall be extended for the period of the enforced delay, as determined by the AUTHORITY, if the party seeking the extension shall request it in writing of the other party within thirty (30) days after the beginning of the enforced delay.

SECTION 17: REMEDIES.

A. In General. Except as otherwise provided in this Agreement, in the event of any default in or breach of the Agreement, or any of its terms or conditions, by either party hereto, or any successor to such party, such party (or successor) shall upon written notice from the other, proceed immediately to cure or such default or breach, and, in any event, within sixty (60) days after receipt of such notice. In case such action is not taken or not diligently pursued, or the default or breach shall not be cured or remedied within a reasonable time, the aggrieved party may institute such proceedings as may be necessary or desirable in its opinion to cure and remedy such default or breach, including, but not limited to, proceedings to compel specific performance by the party in default or breach of its obligations.

B. Revesting Title in AUTHORITY upon Happening of Event Subsequent to Conveyance to REDEVELOPER. In the event that subsequent to conveyance of the Property or any part to the REDEVELOPER, and prior to completion of Phase 2 as certified by the AUTHORITY:

- (i) The REDEVELOPER (or successor in interest) shall default in or violate its obligations with respect to Phase 2 of the Project (including the nature and the dates for the beginning and completion thereof, or shall abandon or substantially suspend construction or rehabilitation work and any such default, violation, abandonment, or suspension shall not be cured, ended, or remedied within ninety (90) days (one hundred and eighty (180) days if the default is with respect to the date for completion of Phase 2 after written demand by the AUTHORITY so to do; or
- (ii) There is, in violation of this Agreement any transfer of the Property or any part thereof, and such violation shall not be cured within ninety (90) days after written demand by the AUTHORITY to the REDEVELOPER,

then the AUTHORITY shall have the right to re-enter and take possession of the Property, during Phase 2 and to terminate (and revest in the AUTHORITY) the estate conveyed by the Deed to the REDEVELOPER, it being the intent of this provision, together with other provision of this Agreement, that the conveyance of the Property to the REDEVELOPER shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default, failure, violation, or other action or inaction by the REDEVELOPER specified in subdivisions A,

B and C of this Section 17, failure on the part of the REDEVELOPER to remedy, end, or abrogate such default, failure, violation, or other action or inaction within the period and in the manner stated in such subdivisions, the AUTHORITY, at its option may declare a termination in favor of the Grantor of the title, and of all the rights and interest in and to the Property conveyed by the Deed to the REDEVELOPER, and that such title and all rights and interests of the REDEVELOPER, and any assigns or successors in interest to and in the Property, shall revert to the AUTHORITY: Provided, that such condition subsequent and any reversioning of title as a result thereof in the AUTHORITY shall always be subject to and limited by, and shall not defeat, render invalid or limit in any way (a) the lien or any mortgage authorized by this Agreement, and (b) any right or interest provided in the Agreement for the protection of the holder or such mortgage.

C. Other Rights and Remedies of Agency: No Waiver by Delay

The AUTHORITY shall have the right to institute such actions or proceedings as it may deem desirable for effectuating the purposes of this Section 17, including also the right to execute and record or file among the public land records in the office in which the Deed is recorded a written declaration of the termination of all the right, title and interest of the REDEVELOPER of the termination of all the right, title and interest of the REDEVELOPER and (subject to such mortgage, liens and leasehold interests as provided in this Section 17 hereof), its successors in interest and assigns in the Property, and the reversioning of title hereto in the AUTHORITY: Provided, that any delay by the AUTHORITY in instituting or prosecuting any such action or proceedings or otherwise asserting its rights under this Section 17 shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the AUTHORITY should not be constrained, so as to avoid the risk of being

deprived of or limited in the exercise of the remedy provided in this Section because of concepts of waiver, laches, or otherwise to exercise such remedy at a time when it may still hope otherwise to resolve the problems created by the default involved; nor shall any waiver in fact made by the AUTHORITY with respect to any specific default by the REDEVELOPER under this Section be considered or treated as a waiver of the rights of the AUTHORITY with respect to any other defaults by the REDEVELOPER under this Section or with respect to the particular default except to the extent specifically waived in writing.

SECTION 18: RESALE OF REACQUIRED PARCEL: DISPOSITION OF PROCEEDS

Upon the revesting in the AUTHORITY of title to the Property or any party thereof as provided in subdivision C of Section 17, the AUTHORITY shall use its best efforts to resell the Property or part thereof (subject to such mortgage liens and leasehold interests as in Section 17 set forth and provided) as soon and in such manner as the AUTHORITY shall find feasible and consistent with the objectives of applicable law and of the Urban Renewal Plan and Redevelopment Proposal to a qualified and responsible party or parties (as determined by the AUTHORITY) who will assume the obligation of making or completing Phase 2 and Phase 3 of the Project as shall be satisfactory to the AUTHORITY and in accordance with the uses specified for such Property or part thereof in the Urban Renewal Plan and Redevelopment Proposal. Upon such resale of the Property, the proceeds thereof shall be applied:

A. First, to reimburse the AUTHORITY, on its behalf for all costs incurred by the AUTHORITY, including, but not limited to, salaries of personnel in connection with the recapture, management and resale of the Property or part thereof (but less any income derived by the AUTHORITY from the Property or part thereof in connection with such management); all taxes, assessments and water and sewer charges with respect to the Property or put thereof or in

the event Property is exempt from taxation or assessment or such charges (as determined by the City assessing official as would have been payable if the Property were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property or part thereof at the time or revesting of title thereto in the AUTHORITY or to discharge or present liens due to obligations, defaults, or acts of the REDEVELOPER, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of Phase 2 or Phase 3 of any part thereof on the Property or part thereof, and any amounts otherwise owing the AUTHORITY by the REDEVELOPER and its successors or transferee; and

B. Second, to reimburse the REDEVELOPER, its successor or transferee, up to the, amount equal to (1) the sum of the purchase price paid by it for the Property (or allocable to the part thereof) and the cash actually invested by it performed during Phase 2 and Phase 3 at the Property or part thereof less (2) any gains or income withdrawn or made by it from the Agreement or the Property.

Any balance after such reimbursement shall be retained by the AUTHORITY as its property.

SECTION 19: CONFLICT OF INTEREST: AUTHORITY'S REPRESENTATIVES NOT INDIVIDUALLY LIABLE.

No member, official or employee of the AUTHORITY shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official or employee of the AUTHORITY shall be personally liable to the

REDEVELOPER or any successor interest, in the event of any default or breach by the AUTHORITY or for any amount which may become due to the REDEVELOPER or its successor or any obligation under the terms of this Agreement.

SECTION 20: PROVISIONS NOT MERGED WITH DEED

No provision of this Agreement is intended to or shall be merged by reason of any deed transferring title to the Property from the AUTHORITY to the REDEVELOPER or any successor in interest, and any such deed shall not be deemed to affect or impair the provision and covenants of this Agreement.

SECTION 21: EQUAL OPPORTUNITY IN CONSTRUCTION EMPLOYMENT

The REDEVELOPER, for itself, and its successors and assigns, agrees, that Phase 2 and Phase 3 of the Project provided for in the Agreement:

A. The REDEVELOPER will not discriminate against any employee or applicant for employment because of race, creed, color, sex, age or national origin. The REDEVELOPER will take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, creed, color, sex, age, or national origin. Such action shall include, but not limited to, the following: employment upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The REDEVELOPER agrees to post in conspicuous places, available to employees and applicants for employment notices to be provided by the AUTHORITY setting forth the provisions of this nondiscrimination clause.

B. The REDEVELOPER will, in all solicitations or advertisements for employees placed by or on behalf of the REDEVELOPER, state that all qualified applicants will receive

consideration for employment without regard to race, creed, color, sex, age or national origin,

C. The REDEVELOPER will include the provisions of Paragraphs A and B of this Section in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, so that such provisions will be binding upon each such contractor or subcontractor, as the case may be. For the purpose of including such provisions in any construction or rehabilitation contract or subcontract as required hereby, the term "REDEVELOPER" and the term "AUTHORITY" may be changed to reflect appropriately the name or designation of the parties to such contract or subcontract.

SECTION 22: COUNTERPARTS

This Agreement is executed in six (6) counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

SECTION 23: NONDISCRIMINATION

The REDEVELOPER for itself, its successors and assigns, agrees that it will not discriminate in the use, sale or lease of any part of the Project against any person because of age, race, creed, color, sex or national origin and such other easement or other rights as are to be reserved therein by the AUTHORITY.

SECTION 24: GOVERNING BODY APPROVAL

This Agreement shall be binding upon the parties hereto on the signing hereof, provided that said Agreement shall be duly approved by the governing body of the City of Reading pursuant to the provisions of the Urban Redevelopment Law of the Commonwealth of Pennsylvania. CITY shall provide REDEVELOPER with a certified copy of a Resolution or Resolutions by the City Counsel of the CITY authorizing the Mayor to sign this Agreement, and all other Agreements required, necessary and/or desired in furtherance of the Project.

SECTION 25: NOTICE

A notice of communication under this Agreement by either party to the other shall be sufficiently given or delivered if dispatched by registered mail, postage prepaid, return receipt requested, and

A. In the case of a notice or communication to the; REDEVELOPER, is addressed as follows:

Reading Buttonwood Gateway Group, LLC
4500 Perkiomen Avenue
Reading, Pennsylvania 19606

B. In the case of a notice or communication to the AUTHORITY, is addressed as follows:

Redevelopment Authority of the City of Reading
815 Washington Street
Reading, Pennsylvania 19601

or is addressed in such other way in respect to either party as that party may, from time to time, designate in writing dispatched as provided in this Section.

C. In the case of a notice or communication to the CITY, is addressed as follows:

Mayor Joseph Eppihimer
City of Reading
City Hall
502 Penn Avenue
Reading, PA 19608

SECTION 26: HEADINGS

Any titles of the several parts and section of this Agreement are inserted for convenience or reference only and shall be disregarded in construing or interpreting any of its provisions.

ATTEST:

By: Joseph D. Eppihimer
JOSEPH EPPIHIMER, MAYOR

ATTEST:

By: Michele Lauter
MICHELE LAUTER, CHAIRPERSON

ATTEST:

By: Albert Boscov
Name: Gilbert Boscov
Title: Manager

~~_____~~
Alex Zepponi
Manager